

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

MS: Good morning everyone and welcome. On behalf of everyone from the museum staff I want to welcome you and welcome those back who are here for a repeat visit. Just a quick housekeeping item before we get started. If you could silence any cell phones or blackberries that would be appreciated for the common courtesy. Today is the third in our series of our fall lecture programs. We've been tying it this fall to our new lobby exhibit, Cannabis, Coca and Poppy, Nature's Addictive Drugs, the three drugs that are derived from natural plants. We started back in October with retired agent Bill Molar (ph.) and Ed Beach (ph.) from the DEA New York Task Force. They talked about poppy and heroin. Then last month in November Paul Kanerim (ph.) from our public affairs office talked about Coca and cocaine trafficking trends in Central America.

Today we finish the series looking at the oh so contentious issue of marijuana. We're joined this morning by Assistant Special Agent in Charge Gordon Taylor from the DEA Sacramento Office within the Los Angeles field division. Just a little bit about our guest speaker before we get started. Gordon Taylor is a twenty-two year veteran agent from DEA. He actually joined DEA—prior to joining DEA he worked as a police

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

officer with the Sacramento Police Department, and during his career he has been assigned to a number of offices including San Diego, Sacramento, here at headquarters where some of you will remember him and also the DEA Academy at Quantico.

While assigned to the academy ASAC Taylor was the lead interview and interrogation instructor. ASAC Taylor has provided advanced interrogation training to other federal agencies so if he asks you a question today I do suggest you answer it. In 2002 Taylor was promoted to Assistant Special Agent in Charge of the Sacramento District Office. As the ASAC he oversees DEA operations in thirty-four of California's fifty-eight counties. He is a recognized authority of the topic of marijuana. Today he's going to talk about it. Obviously it's getting a lot of headlines of late. Finally he holds a Bachelor of Arts of degree in criminal justice from the California State University at Sacramento.

I'm sure there will be a lot of questions. If I could ask you to hold them to the end we'll have a period of Q&A time. I'd just ask you to wait for a microphone so that everyone in the audience has the opportunity

**DEA MUSEUM LECTURE SERIES  
GORDON TAYLOR**

to hear your questions. Please join me then in welcoming ASAC Gordon Taylor. (Applause)

**GORDON TAYLOR**

GT: Can you guys hear me okay? Okay, great. Well first of all it's a pleasure to be here. It's been quite a few years since I was assigned here in headquarters and I can say I'm happy to be here but I don't want to let anybody know that I'm too happy to be here because I'm very happy out in the field. So hopefully I can stay there if I don't say anything too, too bad today. But it looks like we've got a good crowd, and my presentation today should last about an hour. I am very interested if you guys have some questions because this is a very controversial subjects. Hopefully I can—well I will respond the best I can. I'll provide you with the information that we've gleaned out in California over the years. So we'll get right into it.

I'm gonna talk about indoor grows later in the presentation but I think it's important to talk about the entire marijuana industry because no one facet operates in a vacuum. They're all somewhat interconnected, and I think it would be remiss of me not to talk about some of the other issues going on in

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

regards to marijuana. I'm gonna talk about what's going on in California, and I hope that what's going on in California doesn't spread to the rest of the country, but we have seen that some of the things happening in California in fact have spread to other states unfortunately. If I can have the next slide. I ask this question whenever I give this presentation, and this is gonna be interactive. So hopefully I'll get some responses here.

It's only marijuana, it's not that big a deal. How many of you guys have heard someone say that? How many of you guys have heard it's only marijuana, it's not that big a deal. Guess who I hear that from the most? Yes.

FS: Kids.

GT: Your kids. That's good. Law enforcement officers, yeah. Actually I hear that most from parents. I hear that from parents. Parents say oh Johnny's only using marijuana or Susie's only using marijuana. It's not that big a deal. I basically say hey I can understand why you might say that. But let me share with you the entire story because when you look at the big picture the use of marijuana is in fact a big deal. It's a very big deal. But it's not just the use of marijuana. You gotta realize this marijuana has to be

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

grown somewhere. We're gonna talk a lot about that today. But when you hear people say that how do you respond? Do you say oh, geez, that's marijuana. I don't feel comfortable engaging in dialog on that subject. As a DEA employee, and I think most of us are DEA employees in the room, how do you respond to that question when you hear somebody come to you?

It could be at a barbecue, it could be at a dinner party, when you're off duty and someone says it's only marijuana. It's not that big a deal. What's your thoughts on marijuana anyways?

FS: I tell them it's illegal.

GT: You tell them it's illegal, okay, and they say well why is it illegal? Then what do you say? Are you prepared to answer those questions? Yes. (Inaud.) So you go beyond more than just saying it's illegal. You actually give some explanation. It's an illegal drug. It has an impact on people that use it and there's other ramifications that go along with it. I personally believe we as DEA agents or DEA employees— you don't have to be an agent. You can be a program analyst, you can be an intel analyst, you can be a group assistant. I think we all have a responsibility, a duty, to share our position or at least our perspective on the issue of marijuana, and

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

when we hear people come to us and they say it's only marijuana, it's not that big a deal, I think we should at least have some information that we can share with them to tell them what the whole story is, tell them what the big picture is.

What I'd like to do is share a couple of things that hopefully will give you guys some ideas of what you can say to some people. And if I can go to the next slide. First of all the marijuana today is much different than it was three decades ago or four decades ago. It's a much different drug. I think there's a lot of misconceptions out there about marijuana. There's a lot of people out there that view marijuana as a soft or a harmless drug. But let me just go over some of the issues in regards to the use of marijuana. First of all it's the most abused illegal drug in the country today. There's no other illegal drug that's abused more than marijuana, okay.

The potency of marijuana today is like I said before much different than it was three decades ago. It's on average, on average, ten times more potent than it was in the early 1970's, ten times more potent. Not twice as potent, ten times more potent than it was in the early 1900-1970's. It's a much different drug. It's

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

much more powerful, and as a result some people have said that because it's so important—potent—we're seeing more and more people enter drug treatment today for marijuana dependency than ever before. In fact more teenagers enter drug treatment today for dependency upon marijuana than for all other illegal drugs combined. I mean that's quite a statement, alright.

Marijuana-related emergency room mentions for teenagers more than tripled between 1994 and 2001. There's one important statistic I'd like to share with you is there was a study conducted at the Sacramento County Jail back in 2002 and in that study they determined over 50% of the adult male inmate population tested positive for marijuana at the time of their arrest, alright. So it's statistics like these that directly contradict the notion that marijuana is a soft or a harmless drug. But not only do I share statistics or information like this about the use of marijuana, the use of marijuana is problematic enough for our young people. But we all have to realize this marijuana has to be grown somewhere. It has to be grown somewhere.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

What we're finding at least out in California and I know it's happening in other parts of the country, is that we've got very, very significant, well organized, sophisticated criminal syndicates going into our public lands, our pristine national forests, our national parks and they're clear cutting the land, their terracing it, they're damming up streams, they're running gravity-guided piping or irrigation systems from those streams and they're running it down the hillside to their marijuana groves and they're literally growing thousands and thousands and thousands of plants in our public lands and absolutely destroying the ecological system in those lands. They pour fertilizers and pesticides in those dammed up streams and that's what runs down in—you know as far as the water system—runs down the hillside to feed the marijuana plants.

Not only do we have a problem in our public lands, and I don't want this to sound like doom and gloom but these are some serious issues that I think a lot of people don't have an opportunity to hear and I think we should be sharing it with them. But not only do we have people, Mexican national organizations going into our public lands in California but we also have seen over the last three years very sophisticated organized

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

crime groups coming into our communities, purchasing homes and creating marijuana factories in the midst of our bedroom neighborhoods if you will, okay. So we have some significant issues. If I can go to the next slide real quick.

I'd like to share just real briefly a case that our Sacramento office worked on a few years ago with the Butte (ph.) County sheriff's department. It was an outdoor grow. It was on public lands. It was in I think U.S. forest land. The intelligence was is that this grow would probably have about ten to fifteen thousand plants. There would probably be Mexican nationals that were tending the garden. It was about an hour and a half away from Sacramento up in the mountains. Because these particular public land grows can be very dangerous because these Mexican nationals are often armed with AK-47's and other type of weapons to protect their grows we decided that the Butte County Swat Team would make entry into the garden. We would stand off the set and then once they secured the garden we would move in and process the crime scene.

Well, what happened is the SWAT team did make entry at daybreak into that garden. They had to actually hike into the location. If I can go to the next slide.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

This is ultimately what happened unfortunately. They were immediately—the SWAT team was immediately encountered by three armed Mexican nationals. One of them had an AK-47. The other two had pistols. According to the SWAT team the guy with the AK-47, I believe it's the guy on the left there, raised the AK-47 and was gonna engage the SWAT officers as they made entry into the garden. The SWAT officers basically had to shoot or be shot and they ended up shooting. They ended up hitting the guy with the AK-47. The guy on the right there who had a pistol ended up running across the field of field of fire and he too was hit.

The third Mexican national that was armed was wrestled to the ground by one of the SWAT deputies. But the reason why I show this is this is what's going on in our public lands. These guys are armed and no one, no law enforcement officer hopefully wants to see this kind of situation where they actually have to shoot someone. We don't want to see—I don't care if it's drug traffickers or where they're from we don't want this to have to happen. Nobody wants to see someone lose their life over this. But when it's between a law enforcement officer being shot and a suspect obviously the law enforcement officer has gotta take care of business. But here's the thing. This could

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

have very easily have been two law enforcement officers laying on the ground deceased right there.

It could have very easily have been two SWAT officers or two DEA agents or two U.S. Park Police or whatever who happened to come into that particular situation or just as bad it could have been two hikers or recreational mountain bicyclists that happen to stumble into that outdoor grow because they got off the beaten path and that could be them right there. Unfortunately this is happening more and more. But at any rate this is what can happen in our public lands. If I can go to the next slide. This is a picture of a carving into a tree. This is a case that our Sacramento office did about a year and a half ago or two years ago. It was unfortunately these outdoor grows on public lands are getting closer and closer to civilization. This unfortunately was about forty-five miles outside of Sacramento up in the hills. It was actually on public lands.

It was literally a stone's throw from million dollar homes in Eldorado Hills, okay. What had happened is is we knew that this garden was there. We knew where their supply drop point—these people were living in this grow site for four or five months out of the

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

year, these Mexican nationals. They had a supply drop point that about every week they would have what they referred to as lunch men who'd come and re-supply them with food and other types of materials for the grow. They had a particular tree that they would hover by by the roadside, okay. Well, they carved this particular sign into the tree, and for us that work in California we are very, very familiar with this sign. Does anybody know what that sign refers to, X? X stands for the roman numeral ten. Three plus ten is thirteen. The thirteenth letter of the alphabet is M. M stands for the Mexican mafia.

This is Seranjos (ph.) from southern California coming 400 miles north into our areas and they're actually involved—the Mexican mafia is actually involved in outdoor grows on our public lands. Next slide. I'd like to talk a little bit about medical marijuana. Hopefully this doesn't get me in too much trouble, but I want to be up front with you guys and let you know what's going on in California. I'm not gonna pass judgment on decisions that have been made here in the Beltway. Those are decisions that I think whether we agree with them or not we're soldiers and we're gonna march forward on whatever decisions are made out in California. But let me share with you what's happened

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

over the last couple years in California. First of all in Sacramento, the Sacramento district, and that's thirty-four out of fifty-eight counties in California, we've been very selective. We don't just after any pot club. We've been very selective and disciplined in the pot clubs that we go after.

We've conducted ten enforcement actions against pot clubs in my area of responsibility over the last four/five years. Shockingly four out of the ten pot club owners have been convicted felons. All four of those convicted felons were armed with guns during the course of the investigation. So it gives you a sense of some of the people that are operating some of these so-called dispensaries. These dispensaries in many instances they like to get their marijuana from indoor grows because the marijuana from indoor grows tend to be—the marijuana tends to be much more potent than the marijuana grown outdoors. So that's what they like. But what we found was interesting is for the most part, and I want to say the most part because I don't want to throw a whole blanket or categorize all people that are going into these dispensaries under one particular criteria.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

But for the most part what we found is it's young people going into these pot stores or these dispensaries if you want to call them that. For the most part it's young people. They appear to be able-bodied. Some are even athletically fit. Most of these young people are in their 20's, some in their late teens, and they're going into these pot clubs for the most part not because they're seriously or terminally ill but because they want to buy marijuana for recreational purposes. That's what we found.

In other words to put it bluntly they want to buy marijuana, smoke it so that they can get high while under the protection of state medical marijuana laws. Now you say Gordon well how do you know they're not seriously or terminally ill? You're not a doctor. How do you know that? And you're right. We aren't doctors. We're not doctors. We're certainly not doctors on the sidelines. This is how we know it or at least how we believe it and what it appears to be is we obviously conduct a lot of surveillance out at these locations. We see the people coming and going. We see what age group that they're in. In fact many of these young people are riding up on bicycles or riding up on skateboards and getting off. I mean are

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

they seriously or terminally ill? It doesn't appear to be that.

But not only have we just watched from surveillance but we've actually interviewed when we conducted raids on these facilities. We've interviewed the management inside. We've had an opportunity to go over all the records and take a look at what these people are there for. Then we've actually had an opportunity to sit down and talk to some of the young people that are buying the marijuana there and they're upfront. They're honest with us. I heard from one twenty-year-old who said that he and every one of his close friends have medical marijuana recommendations. And I said well are you guys seriously or terminally ill? No, are you kidding me? No, we just want to get it so we can smoke and get high, okay. Now I don't want to characterize. I don't think it would be fair to characterize everybody that's going into these dispensaries as able-bodied because obviously some of them aren't.

Some of the people may be older and some of the people may truly believe that marijuana is benefitting them and I'm not gonna get into that right now because who am I to judge. But I can just tell you for the most part what we're seeing in terms of the young people

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

going inside. Let's move to the next slide. I want to tell you about one case. It was a case out of our Modesto office. Involved a dispensary down there. It was called the California Health Care Collective. It was the largest pot club in the central valley at the time and we worked the case actually with the Modesto PD. Luke Scarmazzo and Ricardo Montez they were the owners and operators of this business. They were two 26-year-old men. Luke Scarmazzo a convicted felon. Okay, he was actually charged in the death—the beating death of a young man that threw an egg at him and his friends. They beat him to death. But anyways that's one of the owners of this dispensary.

They had to go to the city council every quarter and claim what their gross sales were in terms of marijuana from that particular facility. That's what the Modesto City Council require so that they could actually levy a tax on their sales of marijuana. They went in to the city council and over the two years that they were open for business they claimed that they sold 4.5 million dollars in marijuana. Now we eventually a conducted a raid at that facility or a search warrant and we got their records and we determined that it was actually about twice that. They'd actually sold about nine million dollars in

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

marijuana. From a little store in a strip mall they were selling marijuana. Nine million dollars right there.

They were doing so well, they were making so much money, that they were paying their security guards \$120 to \$150 an hour. Not a day, an hour. That's how well they were doing. There was in fact one indoor grow that we ended up seizing that was supplying a lot of the marijuana to this facility. If I can go to the next slide. Business men. Luke Scarmazzo, one of the owners, the convicted felon, he was a self-proclaimed rap artist, and he had so much money he didn't know what to do with it that he just had to make a rap video. So he made a very professionally done rap video. It was called "Business Man". In this video, I want you guys to watch it for a little bit, he's mocking the Modesto City Council in terms of how restrictive they were in regards to his California Healthcare Collective.

Many of the people in this video are actual employees at California Healthcare, and like Luke Scarmazzo many of them ultimately were arrested. I'll let you know this video goes on for a considerable period of time but I'll let you know when I want you get out of it.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

I think what you'll need to do is you'll start it, put the cursor there and then move the cursor off and I'll let you know when to (inaud.).

**VIDEO**

GT: Alright, enough of that. We had enough of that by the way. Is this legitimate medicine? Is this guy about legitimate medicine? I mean think about it. Did you guys see—that looked to me to be common drug dealers right there. This is what happened next. We conducted a year-long investigation with the Modesto PD and we ended up doing a raid back in September of 2006 at California Healthcare Collective and about nine other residences associated including Luke Scarmazzo's residence. This is some of the news coverage from that and I'll talk about that after we get done with this news clip.

**NEWS CLIP**

GT: Next slide. Alright, just real briefly on that. I don't show you that video to see my ugly mug on there. The reason why I show that is this. The very end of it Chief Roy Wasden (ph.), he's the Chief of the Modesto Police Department, back then and even now it was very rare that you would get a police chief or a sheriff to stand up and say something about medical marijuana and I gotta give him all the credit in the world. He not only had the courage to stand up but he

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

said Gordon when we started talking about doing a press conference I had the feeling that he wasn't gonna engage.

But he says no Gordon, not only are we do one, we're gonna hold it at my shop because I want to be right up front. He's gonna lead from the front which is exactly what he did. I gotta give him all the credit in the world for doing that because you know what? That's—to some people might not be that politically savvy to get up and say that in his community but he just wasn't gonna tolerate it.

So real quick on Luke Scarmazzo and Ricardo Montez, we had a very aggressive prosecutor, federal prosecutor, who charged them with operating a continuing criminal enterprise. It's the first and—well actually they were the first and only convictions. They actually got convicted of operating a CCE which is as most of you guys know the most serious drug felony conviction that you can get absent a murder drug conviction. So the long and short of it is last year Luke Scarmazzo was sentenced to twenty-one years in federal prison and his partner Ricardo Montez was sentenced to twenty years in federal prison so I'm very proud of the agents and the detective that participated in that.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

Alright, guys we're gonna move into indoor grows real quick, and I want to share the rest of the talk about indoor grows. It's kind of a growing trend, pardon the pun. But over the last three years we've really seen this explode not just in California but across the country. Let me ask you has anybody heard of these very sophisticated residential, indoor grows somewhere in their communities or in other states or something? I see some of the hands going up. You've heard about them more and more over the last three years probably. Really though the whole very sophisticated residential indoor grows it started in British Columbia. Lot of Vietnamese gangs and Asian organized crime in British Columbia were using residences to exclusively cultivate marijuana. For decades they've been doing it and they've been producing BC Bud which some of you guys are aware was the most potent form of marijuana available on the market for many, many years up until about three years ago. They would oftentimes actually smuggle that BC Bud into the U.S. and then it would be traded in California for cocaine. The cocaine would go back up to those organizations in Canada. Well, I think Seattle was probably the first to see these types of really sophisticated indoor grows. But outside of

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

Seattle none of us had really seen them at least at a big level until 2006, and Sacramento area was probably the first to see these really sophisticated grows, and it really to be quite frank with you, it took us by storm.

It was like a tornado blew in and all we could do is have time to react. So we had—the learning curve was very quick for us. But after Sacramento in the summer of 2006 southern California started seeing 'em.

Manchester, New Hampshire they started seeing Vietnamese groups that were cultivating marijuana in residences. Instead of using hydroponics they were using soil in New Hampshire and they actually didn't have irrigation systems that were on timers so it was good for the agents because that meant the crooks had to go to these houses every single day to water the plants which made it a lot better for the agents because they could follow them away and identify them. Our case was much different than that.

Fayette County, Georgia, Cuban organizations bought up a lot of homes and started manufacturing marijuana in the homes. Let me see, St. Lucy County Florida organization tied to New York. Over 50 homes there. And in Thornton, Colorado and it just goes on and on.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

These are just a few of the places. But when I say these growers are sophisticated, I'm not talking about the Cheech and Chong type grows that you would see somebody's closet or in their bathroom, alright? I'm talking where they actually use the whole house to cultivate marijuana. And let me just talk briefly about the case we did and we're still working on, in Sacramento because I think you guys, you can go to the next slide.

Before I do that though, let me, let me bring this up. Why do you think that these organizations would prefer to grow indoors versus outdoors? What's the benefits of growing indoors if I may ask? What do you guys think?

FS: Not as easily found.

GT: They're not as easily found, absolutely, what else? What's that, temperate, you control the climate indoors right? What are some other reasons why you think they may want to grow indoors, any others? Security, absolutely. What else? Multiple growing season, you can cultivate and harvest more than one time a year, outdoor grows, you only, you're only harvesting usually about once a year. What else? Higher potent, you guys are hitting it right on the mark, boy I can tell you. Let me throw these out,

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

these are the reasons why and you guys pretty much hit them.

Can't be seen by air surveillance, we do a lot of air surveillance outdoors, no weather constraints, climate's controlled. Growers don't have to live in the garden and protect the garden, they don't have to live there, okay, like they do on outdoor grows to protect it. You don't have to worry about hikers or hunters, you can harvest about four times a year if you're doing it right, whereas outdoors you're only going to harvest usually once a year. And the marijuana is genetically engineered, you control the climate so you're genetically engineering this marijuana, it's much more potent, can be much more potent than it is outdoors.

In fact, I talked to you a little bit about BC Bud. Okay, first of all the average THC content on seized marijuana in this country right now, is about 10 percent, it's gone up dramatically over the last three decades. It's about 10 percent THC, alright. The marijuana, the good sense Amelia that's grown outdoors in California is generally about 12 to maybe 18 percent THC content. The marijuana grown indoors, if they know what they're doing, the BC Bud generally was

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

about 15 to 25 percent THC content. In a case that I'm going to talk to you about, in Sacramento, we had some of the marijuana tested, it tested at above 25 percent THC content.

The more potent the marijuana, the more money it brings on the streets and so these are some of the reasons. Next slide. Talked to you about the case out of Sacramento, Operation Marvin Gardens. Our agents named it that because as you'll see, there was a significant number of houses that were purchased and obviously the play on words with gardens. I think the interesting thing is is that Marvin Gardens on the famous game board is right next to go to jail, so that, that worked out pretty well for us, alright. Next slide please. This is the, this is the, a thumbnail of the case.

The case started back in 2006, like I say, it took us by storm, it was like a tornado blew in. The Oakville police department started the case, they, they got a tip from a concerned citizen, suspicious activity at a residence in a nice bedroom community in Elk Grove which is right outside of Sacramento. They started looking into it, they asked us to join in the investigation. In one month's timeframe, in August,

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

we ended up serving 21 search warrants at residences in Elk Grove and Sacramento. They were all connected to one another. And each one of them was an indoor grow site, very, very sophisticated.

Then the next month, the next month in September, Stockton, California started seeing indoor grows exactly like the ones we did in Sacramento and Elk Grove. They asked our Stockton PD, asked our agents to join in and we started seeing similarities, a signature of if you will and a pattern that looked like maybe the same organization. And then several months after that, we conducted... nine or ten more search warrants in Lathrop and Tracy. Ultimately at the end of the day, we did 51 search warrants, all 51 homes were either active indoor grows or were being processed to be indoor grows... they just hadn't completed the work yet.

We ended up arresting initially 16 Asians from the San Francisco Bay Area which is about 90 miles away. This, this particular group they were, I think... 15 were Asian males, one Asian female. They were all out of the San Francisco Bay Area. They had basically exported their criminal activities from San Francisco, Chinatown area to the Sacramento region, okay. And

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

they were buying up homes, 51 homes were purchased. Everyone of these homes were purchased with 100 percent financing, it was back in 2005 and 2006. We could get those no interest loans very easily, okay. And this organization, it had all the markings of Asian organized crime.

They were very sophisticated. They actually infiltrated and corrupted certain members of the real estate industry as well as the mortgage loan industry so that they could carry out their scheme. Fifty-one homes, we ended up seizing about 24,200 marijuana plants from those 51 homes. We determined that on an annual basis, this organization just based on those plant seizures, would have produced over 11 tons of high grade marijuana, with an estimated street value of \$96 million. Organized crime coming into our communities. Next slide. We had to make a decision early on, were we going to deal with the media? The media came out on everyone of these indoor grows.

The neighbors were calling them, all they're doing raids again. They came out, they were getting their hands on the public record, they were getting their hands on our affidavits for search warrants, we couldn't stop that. So we had to make a decision, do

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

we talk to the media, it's an ongoing investigation. What do we usually tell the media, when we have an ongoing investigation? What do we usually say when they have questions? No comment, okay, or we say something, maybe rather than say no comment, we say hey, this is an ongoing investigation, I'm not at liberty to discuss the details of the case at this point in time.

That's what we normally say, but we decided to stop outside the box because we saw some utility in talking to the media. What were the, what would be the benefits for us to talk to the media and share certain information at that point in time? What would be the benefits, what do you guys think? Public opinion, absolutely, about marijuana? Absolutely, what else, anybody? Pardon me? Dispel myths and rumors about marijuana, absolutely, what else? I'm sorry, I... absolutely, right on the mark, all you guys are right on the mark. This is what we came up with, the benefits.

Educate the public, enhance public relations, have some transparency if you will, without giving up details about the case that could hurt our ongoing investigation. We already knew the media was going to

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

get certain public records, they were going to know what's going on in terms of the... search warrants that we were doing and they weren't still search warrants cause we had some arrests and stuff. But it also, just like you said, it generated numerous tips. We shared with the media very limited information, but it was the characteristics that they could look for, that being the public, could look for in their neighborhoods, to help us identify additional indoor grows.

Cause most of the community didn't want organized crime in their neighborhood. And so we gave them the characteristics on what to look for and the tips came pouring into the local police departments and to the DEA and those tips led to the seizure of additional indoor grows, that's how we ended up with 51. It served as a deterrence. Many members of this organization when they found out that this was getting all kinds of media attention, they walked away from these homes, walked away from them altogether. Everything was on timers and this is the dangerous part of it. Everything was on timers and Scott Hernkey's [ph.] here in headquarters now, but he was the RAC in Sacramento, he's knows exactly what I'm talking about.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

Steve Peterson down in Bakersfield, they know what I'm talking about. Everything was on timers, the lights kept coming on, the, the water basins, they lost all the water cause the water was put into the plants. These organizations walked away from it and we hit these homes maybe two weeks and the lights were coming on for two weeks without any water going to these plants. And as you guys will see how dangerous these, these grows can be, based on the electrical systems. But it also allowed us to put marijuana back on the map, in the minds of the public, who didn't really care about marijuana, didn't really care about marijuana on our public lands because you know not that many of them went up into forests.

And they didn't see all the problems associated with it and it also allowed us to transition in the medical marijuana issue which at the time, we could talk about in detail. So it worked out very well for us, you know, it allowed us to talk about the somewhat of a permissive attitude that enveloped California, at least in certain communities, in terms of the, not only the use of marijuana but the cultivation of the drug as well. We talked about that permissive attitude and it allowed us to talk about, you take

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

that permissive attitude, you couple it with the huge profits that are made from the sale of marijuana and the relatively lack state penalties that a person faces if rested for [unint.].

Those three in combination are basically an invitation for organized crime to enter the industry which is exactly what we saw going on in Sacra, in California. So next slide. This is one of the few, first news clips, I want to show you, give a sense of how the media was covering it, covering this story. There was so much interest in, in this story for about two months, this was the lead story on every news station in the Sacramento region. And this is one of the few, first news clips. Go ahead.

**NEWS CLIP**

GT: That, that was the, some of the first news coverage that we got on it, and what I'll say is, up until that point in time, there was no interest in hearing from DEA about marijuana. But once these, these grows started popping up if you will, in bedroom communities, all of a sudden there was a tremendous interest. In fact, just to give you an example, in 2005 before all this started, the Supreme Court made a decision in, in the Rache [ph.] Case which was basically on medical marijuana and they basically

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

reaffirmed the federal stance on marijuana. And I wrote an op ed piece, I sent it around to all the major newspapers in Northern California and only two small newspapers in places outside of Sacramento picked it up.

Now part of that maybe cause I got a public school education and I'm not the best writer, but... but let me say this is, I ended up after we started dealing with the media and had some good transparency, had some good relations with the media. Somebody wrote an op ed piece in the *Sacramento B* which is read by a lot of, you know, politicians in California. And it was about medical marijuana and it was pro medical marijuana. So I decided you know what, and it was, had a lot of myths and, and false statements in there. I said, I personally had a problem just letting that go. So I said, I know that the *Sacramento B* is not going to probably put a story in there on put an op ed piece from me.

But let at least call the editor of the forum section just to see if there'd be any interest. I called him and this is after we started dealing with the media and there was a lot of interest from the public. He's going, Gordon, I'm glad you called me. I would love

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

to hear DEA's side or the federal government's side of this particular story. We'd love for you to write an op ed piece and that was unusual, I never expected that. So dealt with headquarters and got, got it approved through Congressional and Public Affairs. And the long story short, is they actually put out op ed piece and Scott helped me with it, in the Sunday edition of the forum section of the *Sacramento B* which is read by most politicians in California.

So it just shows dealing with the media, how they can change their perspective and especially on this controversial issue. Next slide. This is now, the media took a significant interest, they even had investigative reporters that were going out and do their own investigation on our case while we were involved in it. One of them was George Warren from Channel 10, did a very good little piece and just shows you, this is after we seized about 41 indoor grows, after the Stockton, so, go ahead and play that.

**NEWS CLIP**

GT: Okay, this just gives you a sense of... these investigative reporters are doing a pretty good job developing their own information without the power of subpoenas like we had, he was able to track people down. But anyways, I want to share one thing is, I

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

told you initially we arrested 16 people in the case, they were all low level growers that were found either leaving the houses or something like that. Nobody was living at these homes, these homes were purchased, 100 percent financing, no one was living there, everything was on timers, they'd only have to visit once or twice a week to fill up the water basins and make sure the plants were getting their nutrients, alright?

The agents, after we made the 16 arrests, you know, did all the 51 homes, they didn't just shut the case down, they continued for the next two years and I'm proud to say, just a month and a half ago, we indicted 17 additional individuals, all Asian males from the San Francisco Bay Area, that were part of this organized crime group. And we're getting into the mid and upper level members of the organization at this point. The next slide. These are, oh I'm sorry, can you go back one? One thing I want to note, did you guys notice from these news clips, what was the one item or thing that you saw at each one of these grow sites that we had to bring?

What did you guys see there that we had to bring with us? Trucks, those big rental trucks. I'll just tell you a short story on that. We were initially using,

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

in the month of August, cause we were going to these one after the other, we were initially using U-Haul, that's who we were using as our rental trucks because we didn't have trucks big enough to put all this equipment in it. We had to rent all kinds of storage space because our evidence vault, there's no way we'd get all this equipment into it. We rented U-Haul trucks in the month of August and then we knew we were going to do, being doing raids around, I think it's Labor Day, the first week in September, is that Labor Day, okay, around Labor Day.

And unbeknownst us, when we went to the U-Haul to get the rental trucks, that's the busiest moving time of the year, we couldn't get a rental truck from U-Haul. So and as you can see, this was on the news every night, okay, we ended up going to Enterprise Rental Truck. And we went in there, our agents went in there and they basically told them we were from DEA, we needed to rent some trucks. And the owner says, I was hoping you guys were going to come here, I was tired of seeing of U-Haul in the news every night, let me give you guys a break. And he gave us a break, so we started renting from Enterprise.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

These are some of the characteristics, as we started sharing this with the media, the public, the tips came pouring in. We got more and more grows, but the organization was watching the news too. And they started to modify and change the way that they operated so that we couldn't use these as time went on. And one thing we noticed early on in the investigation is that the, nobody was living at these homes. So they weren't attending to the landscaping, the yards were un-manicured, weeds were growing everywhere and that was one indication to us that possibly coupled with some of these others, that maybe be a grow location.

And the long and short of it, they started to change the way they operated, they started hiring gardeners to landscape their yards so that wouldn't be an indicator for the, for the citizens to look for. And so went to one house later in the investigation and the, the yard was manicured. And I don't know if it was an Elk Grove PD detective or it was one of our agents from Sacramento, but they actually saw the gardener was out there. He's a legitimate gardener, he wasn't involved in this operation at all. But they started to interview him, they said hey listen, who, who are you cutting this for? Who's the owner of the

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

house and, and do you know his name and you know how we can get in touch with him?

He say, I'll be honest with you, all I know is, the guy's name is John, he's an Asian guy, he drives a Mercedes. And then they asked him, they asked him well how does he pay you? Well he pays me in cash, so he just arrives and pays you in cash every time you come? Yeah, that's what he does. And they asked him one more important question, what important question do you think they asked that particular gardener, to help the case? What other houses are you doing the, the yards for, for this guy John? And he says, actually I'm doing about eight other houses. Oh really, can you show us where those homes are and that guy did, he showed us where those eight homes were.

They met the characteristics, we got search warrants and within a couple of days we were hitting eight more indoor grows, okay, so good work on the part of our agents and detectives. Move to the next slide. These are some of the other things, since nobody was living there, garbage cans weren't taken out front. And certainly they weren't going to put any of the, you know, trash from the indoor grow in, in those garbage cans, so that was one indicator. And then these are

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

just some of the other things, let's move on cause I want to be able to finish up here quick.

This was a typical indoor grow, it was usually in new track housing, in new subdivisions. The homes usually ranged from about \$450,000 to \$700,000 in cost. They were generally two story homes. If the homes had a loft, they did all kinds of retro-fitting inside these homes. It took them about a week to get the house fully ready for an indoor grow, they cut large holes in the walls. Into the ceilings they ran 12 inch or 18 inch ventilation ducts in all kinds of place where it shouldn't be. They, in every instance, they cut into the main electrical lines that lead to the house and they by-passed the electrical meter so that they create their own circuit box and they were able to steal the electricity.

Now why did they do that, so that they could steal electricity and also, so that they couldn't be detected by the utility companies or by law enforcement. They left just enough power going to certain elements of the house so it didn't look curious if, if somebody was to check on it. And what we determined, just so you'll know, is the amount of electricity, we would have the utility company come

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

out on everyone of these raids. We would, they would stage around the corner, we wouldn't tell them exactly where it was because we didn't want to compromise. But then they would come in.

Once we secured the location, they would come in and render the house safe so that we could do a crime scene search because bear in mind, there was a lot of electrical issues that we had inside those homes because they cut into the main electrical lines. We estimated, we didn't, the utility company estimated that each home was stealing about \$4000 worth of electricity per month. Now you do the math on that, 51 homes, \$4000 of electricity per month, that's several millions a year in electricity that is being stolen. You got ask yourself, who does that bill get passed onto, law biding citizens like you and me and other people who live in those communities, that's who paying it.

Yet it's only marijuana, it's not that big a deal, okay? Anyways, what we found is we had three separate cells, all connected to the same organization. The Elk Grove/Sacramento cell, the Stockton cell, and then we had another cell up in Tracy and Lathrop. Each cell, they, they corrupted one real estate agent for

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

the most part and one loan mortgage company employee so that they could purchase these homes through all kinds of mortgage fraud. They actually recruited straw buyers from Chinatown, people that were like short-order cooks, making \$20,000 a year. And these mortgage loan companies actually you know, did all kinds of fraudulent stuff with the documents so that they could get these people loans, so that they could purchase these homes.

They were all straw buyers, there were about 25 straw buyers, so that means that they bought multiple homes, some of them bought multiple homes and they bought them in short periods of time. So anyways, we ended up arresting some of the straw buyers as well, as well as one of the real estate agents and we're going to be arresting a mortgage broker here soon. Next slide. Quick question for you and we're going to close, we're going to close down here in a few, in a few minutes. Why setup grows in, in nice communities rather than going into the impoverished areas or some people might refer to them as the ghettos, where you have a light of dope dealing going on in those areas?

Why did they set them up in these nice subdivisions, why do you think? What's that? More anonymity,

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

absolutely. These guys, they craved anonymity, alright, they did not want anybody knowing that they were growing marijuana. Why else? Yes. Bigger lots, less likely to smell the marijuana. The homes aren't as close to one another, absolutely. Anybody else? What do you mean security purposes? Don't have to worry about, you're good, very good, alright. Anybody else? What's that? Close to your customers in these subdivisions or no? Okay, could be, could be, absolutely. You guys are hitting a lot of these things on the head.

These are the reasons that we came up with here. In, in the impoverished areas or if you want to refer to them as ghettos, I know that's probably not politically correct, but... in these areas, they tend to have a higher crime rate. Because of the higher crime rate, they have a higher police presence, alright? There's higher unemployment generally in some of these areas and when you have higher unemployment, people are home more. Do you have more anonymity when people are home, absolutely not. I can tell you, you go into some of these areas if you want to call them the hood or the ghetto or whatever you want to call it.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

And I can tell you what, if Johnny's unemployed and he's basically sitting out on his porch reading the newspaper, whatever he's doing, he knows what's going on in that neighborhood. He knows that Jimmy's selling heroin out of this house and Billy's selling crack cocaine out of this house and you know Jerry is running girls out of this house. They know what's going on in their, in their community. And unlike a crack house or somebody selling heroin out of a house, you can't pickup and move one of these indoor grows like, like that. You can with, with heroin and cocaine, you can pick it and move it from one house to the other.

Their biggest concern is people finding out that they're growing they're growing marijuana. They can't move it out of there, it's got to be there for at least three months before they can harvest, more likely for home invasions. Next slide. Which is exactly what we saw on, on some other cases. These are the impacts, it's only marijuana, it's not that big a deal. Indoor grows, number one the mortgage industry, foreclosures, 50 of the 51 homes went into foreclosure that we, we ended up search warrants at. They walked away from them completely, the straw buyers walked way.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

Now who ends up holding the bag, the mortgage loan companies and our communities. But it's only marijuana, it's not that big a deal. Real estate market, the values goes down because of foreclosures, you know. There might be issues we don't know, Scott Hernkey's running, actually contracted with a company to conduct some tests at some of these sites. There maybe possible mold issues, we don't know yet, particulates in the air and stuff like that. Everyone of these homes had to be remediated to bring it back to a standard to where it could be sold.

In many instances it cost 50,000 bucks just to remediate these homes and so the insurance companies end up having to pickup that bill. Fires due to electrical hazards, tapped our resources of multiple agencies just to be able to do this case and obviously home invasions. Next slide. This is a home invasion series, not related to our 51 indoor grows, but to another case last year. This is interesting, real short, is there was, we went out and did... a series of search warrants not too far from Sacramento, at some homes where we ended up seizing marijuana.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

They were growing in their backyards as well as inside their houses. We arrested two people at home of the homes and detained about four other... male, young males at one of the homes. Now unbeknownst to us, those four that we detained, they were going to school and watching us as we did our search warrant. And guess what ended up happening about a week after that and we didn't know this at the time. A series of home invasion robberies at marijuana locations, where marijuana was either stored or where it was being grown, it started to, to erupt in the very county where we had done those search warrants a week prior to that.

We had no idea who was responsible. In one instance, what they would do, just to give you the MO, is they would pose as law enforcement officers. They posed as DEA agents and sheriff's deputies. They were in the full garb, they even had radios connected up to their little mikes here and they'd talk and they stayed, this was the interesting thing. When they made entry into the home and they acted like they were doing the raid, they put the people on the ground just like we do, okay? They put people in flex cuffs just like we do. They were talking on their mikes amongst one another when they did these raids.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

Here's the interesting thing, after they seized all the marijuana, they interviewed the people inside the homes. They conducted interviews and they conducted interviews in regards to assets, just like we do, alright? But the interesting thing that they did that we don't do, is they left those people in flex cuffs. One of them hobbled to a phone, picked it up and was able to dial 911 and he says hey, I think you're... and he called 911. I think your officers forgot to take the flex cuff, cuffs off of us. These guys stayed in role the entire time they were inside these homes.

They stayed in role and ultimately... in one instance they actually shot a guy in the head. Fortunately it didn't kill the guy, the round hit his head and went completely around his head and exited. He survived, he was an ex-Navy SEAL and he didn't believe that they were actually law enforcement for some reason and he started to fight with them and that's why, but it's only marijuana, it's not that big a deal, right? So next slide. Just real quick, these are what the homes look like. Next slide, I want to show you guys a video and we're going to be done. This is, this is

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

not a 51 grow house, but this is a case we did of about a year ago.

This is in a very exclusive community, better even than the homes that we were you know doing in the 51 grows. This is up in Eldorado Hills, about 30 minutes outside of Sacramento. They started, they changed the way they operate, instead of using the upstairs and downstairs, they started buying homes, this is the rear of the home. They started buying homes that were built into hillside so that the upper level, you walk in at the upper level. These homes look like people were living, they had furniture in there and all this stuff, okay, that's unlike the homes that we saw the year before that.

But the lower level, the entire lower level and this is probably a 4000 square foot house, the entire lower level was an indoor grow, alright? But the interesting thing about this, what do you think this building is, right to the rear of that house? It's an elementary school. Organized crime in exclusive communities, operating indoor grows that are subject to, to home invasion robberies, elementary school right down below, right. Next slide. This is an electrical, they cut into the live electrical lines

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

that lead to the house, live wires. And they're bypassing the electricity, okay, obviously a problem.

They started getting smarter and they started using these clamp in tools, next slide. This is what it looks like inside in terms of you can see wires going everywhere, serious, serious electrical hazard for our agents when they make entry and that's why we have to have the utility company come in and cut the power completely and render that home safe before we can do our crime scene search, next slide. You can see as they create false walls, so they get another room, this is a loft in a house. They get an additional room to now grow marijuana and control the climate. Next slide.

This is what the indoor grows, that's the front door leading into the house. They barricaded the front door so that we couldn't get in through the front door, we actually had to find an alternative way get in and there was only one other way in, it was usually through the side garage door that led into the house, okay? Very dangerous once you get inside, all the windows are boarded up and there's Mylar foil put over most over most of them. As you can see, this is the setup, next slide. This was the signature of this 51

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

indoor grow organization. That was their signature, we didn't see that in any other homes other than this organization. They had... a little trellis or something.

They did a lot of painstaking work in that the plants would ultimately grow up through there so they'd stay straight and this hydroponic altogether, no soil, those are grow cubes right there, next slide. These are the charcoal air filters that they used to ventilate the air through so that the, the pungent odor wouldn't be smelled by the neighbors, next slide. These are obviously pesticides and fertilizers, where do you think some of that's going, down the drain, unfortunately, next slide. And this is what an indoor grow looked like. This is a kitchen, great room area of one of the homes. And next slide and this'll be it guys.

Let's go to the next slide real quick. I want to show you this, this is going to be the end of the presentation and I'm interested in questions. This is a story done by News 10 after we did the, probably, I think it was the last nine homes out of the 51 homes. And I want you to take a listen the community and what their feeling is about these indoor grows. And

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

remember, when you hear someone say it's only marijuana, it's not that big a deal, listen to what these people have to say, go ahead.

**VIDEO CLIP**

GT: That's it guys, I want to leave you with this is... when you hear someone say it's only marijuana, it's not that big a deal and I realize maybe you don't see the marijuana problem out here like we see out in California. But it's, it's coming at some point in time, you're going to have to deal with this issue. I hope you guys feel comfortable enough to be ambassadors for the DEA or for law enforcement in general and not try to, cause I think people are turned off when we try to convince them to, to come across to our way of thinking. I don't think we should be trying to, to come across to our way of thinking.

I don't think we should be trying to do that when we engage in dialogue with the public on this. What I think we should be trying to do is, is just trying to say hey, I understand why you might think that way. But there's, there's other parts of the story that you probably aren't getting and if you're interested, I'd be more than willing to share some of that with you. I hope you guys feel comfortable enough to be

**DEA MUSEUM LECTURE SERIES  
GORDON TAYLOR**

ambassadors and talk about this important issue because it affects all of us, it really does. Thank you for giving me the opportunity. If there's any questions, feel free, if it's even about medical marijuana, I'll do my best to answer it.

I'm not going to try to hide from that issue, yes in the back.

Q: I think it's honest.

GT: Thank you.

Q: [Unint.] statistical services here in headquarters, I hope you'll free to contact us cause I have some more information, I actually wanted to share briefly and ask you a question about it. When you talk about managing the media, one of the most effective, two of the most effective points that I didn't hear you mention which I think a lot of people don't know. And they're kind of two major deceptions. One is the, the toxicity cannabis, the primary THC component is much higher and people, we're learning more about it now. And people think it's an innocuous like you say, no big deal.

But people are learning more and more about that and I, I wonder if there's any sort of, on your radar, some... opening that you think might be available for,

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

as we try to sort of be agents or inform the public about that to help people understand what's, what's going on in the research right now. More importantly is we're seeing increasingly the, with, with cannabis and the TCH toxins, the argument of medical marijuana is being used as a Trojan Horse to get people to accept the idea. It's really not a big deal, it's actually a good medication. But in fact the federally funded research going in Mississippi we've had for several decades down there.

Some very smart people, a facility down at the University of Mississippi, you might have heard about. I can put you in touch with the people there that, where they've studied the pharmaco-kinetics of TCH, when it is, when it is indicated, where we actually have a schedule three drug called Dranavanol [ph.] that can be used for [unint.] in chemo patients for example. Great use, the problem is, the idea of smoking something for, for this kind of out, for this kind of indication is absurd because the pharmaco-kinetics that is the speed with which the drug, the active component of the drug is administered into the, into the metabolism, is totally wrong for the, for the indication.

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

And even if [unint.] smoking marijuana, to deal with asthma, it's absurd because you're getting a spike in THC when you actually need a very long, low level that wouldn't even get you intoxicated. Are you, are you aware of these issues, are you preparing to do more on that issue with public awareness?

GT: No, very good comments. In fact you could probably come up here and talk a lot more about this than I. But very good comments. I'm, I'm not a scientist obviously, I'm an agent, but I do think it's important for us to try to become familiar with some of those issues in regards to the science on this and the research that's being conducted. A lot of people out there think that well, the federal government's you know, stymieing all types of research and that's simply not true. There's, there's a lot of research in regards to cannabis and its compounds.

And you know, I'll just share this and I know this is controversial is you guys are going to hit up with this if you talk about marijuana, yeah, but the public voted for this. The majority of the public want to see marijuana used as medicine. And while I, I 100 percent respect the referendum process, I think that's important, people being able to go to the ballot box and vote on things. But you got to ask yourself, is

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

it really the right thing to do to go on vote, go and vote on what should be considered medicine? Is that the best system out there, alright? I mean when in the history of this country have we ever voted on medicine?

I mean 1996, Proposition 215 in California, alright? Think about this, if that was the standard that we used 40 or 50 years ago, going to the ballot box and having the general public vote on medicine, where would we be today, in penicillin or the polio vaccine hadn't passed the ballot box? Where would we be today, alright? The fact, you brought up a good comment, there is no FDA approved drug in the country today that is smoked, there isn't. Smoking is simply a harmful, dangerous and inconsistent way to administer any drug into the body. And those are some of the comments that I share with people when they talk about voting and well you know, it's legitimate medicine all of this.

I will say though, and we got to be careful about this because there are some seriously ill people then generally believe that are gaining some benefit from smoking marijuana and it's a very difficult issue. I, I happen to, this is the probably the highlight of my

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

media career, if you want to call it that and I'm not the best public speaker in the world. But I actually was interviewed by Dan Rather on this subject, he wanted to talk Luke Scarmazo [ph.]. And they, they flew me down to Beverly Hills and one of the questions he asked me, he goes Gordon, you know I'm doing this story on... medical marijuana.

And I've talked to a 65 year old woman and this 65 year old woman who was recently told by her doctor that she has cancer and she's probably only got about six months to live. Now she's tried every FDA approved drug that she can to try to reduce here pain and one of them have worked. The only thing that's worked for her is marijuana. Gordon, what do you and the DEA have to say to this lady? How do you respond to that? How do you respond to that? That's a difficult... you know I'm no going to say my answer was the best answer, but you know I just said, hey look, I didn't say Dan, I said Mr. Rather.

Here's a, here's the situation. I go, there are a lot of drugs out there that make, make someone temporarily feel better. Drinking alcohol or smoking cigarettes may make someone temporarily feel better, but to take it to the extreme, shooting heroin, taking acid, LSD,

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

taking ecstasy, sniffing glue may make someone temporarily feel better. But just because a drug makes you temporarily feel better doesn't mean we necessarily call it medicine. We believe in the FDA approval process and that process requires that before any drug is approved in this country for medical treatment, it must undergo rigorous scientific research and testing.

And it must be proven to be safe and effective. Smoked marijuana has not passed the safe and effective test and that's why it remains a schedule one controlled drug under federal law, so. [APPLAUSE]

Q: Eric Acres... I'm with the man reduction. Are you aware of any connections between these indoor grows or even the outdoor grows and the... cannabis health collectives, your, your pot shops? What is that connection and what do we know about that, what can we say about that?

GT: Very good question. He wants to know, for those of you... I think they all heard cause he had the mike there, but that's a very good question. And we're always looking to see if there is a connection between these organized crime indoor grows or the sophisticated grows outdoor and the pot clubs. We have not seen a lot of connection at this point in

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

time, it doesn't mean it doesn't exist. We just haven't seen it, we haven't turned it up. We do know in our 51 indoor grow case, there was one home that was associated with it, that was tied, the owner of that home was the owner or operator of a cannabis club in, in San Francisco.

So there is some connection, but we haven't been able to show that a lot of this marijuana from these Asian organized crime groups is going to those dispensaries. But I will say, most of these dispensaries want marijuana that's grown indoors because of the potency level. So... just because we haven't found the evidence of it, doesn't mean it's not there. Yeah. And certainly one of the indoor grows from the Scaramazo case was, 1000 plants was connected to his dispensary, yes.

Q: [Inaud.] When you refer to marijuana clubs does that include the DEA registered physician who used the prescription. I was in Venice, California and I was there for like 10 minutes and three people came up to me and offered to see me prescription despite telling them I'm DEA, I'm not interested in that. Are these physicians in these clubs as well?

GT: Are these what?

**DEA MUSEUM LECTURE SERIES**  
**GORDON TAYLOR**

Q: DEA registered physicians, are they at these clubs writing prescriptions?

GT: Some of them are... here's the deal with the physician thing, it's very complicated in California. The California State Law, Proposition 215 says, in order to buy, legally buy marijuana for medical purpose in California, you have to have a recommendation from a doctor. But the law was so vague, it didn't say that it had to be a written recommendation, it could be a verbal recommendation, okay? But here's the deal, is we have doctor mills, there's certain doctors in California that all they do, they don't practice any other type of medicine other than issuing recommendations to people that want to buy it so they can go... purchase some marijuana.

They charge about \$150 to \$250 per customer and they're literally writing recommendations for thousands and thousands of customers. Some of these doctors are making hundreds and hundreds of thousands dollars just by running these, what we call recommendation mills. Now here's the deal with the doctors, you say well DEA, why aren't you going after them? The 9th Circuit Court of Appeals, the famous court of appeals, they came out with a decision, an injunction that prohibits DEA from investigating

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**GORDON TAYLOR**

doctors who are just merely writing recommendations for... medical marijuana. They say that that's the doctors First Amendment right, the right to speech.

And they have the right to make that so, DEA you can't investigate them, merely for writing a recommendation, so that's some of the issues. But yeah, there's definitely a lot of doctors engaged, not a lot, but some doctors that are engaged in just... recommendation mills. Any other questions, yes.

Q: Hi, Maria Sanchez with Investigative Intelligence. You show the proximity of the pot houses to the schools, where, what's the proximity of the pot stores to the schools? Are they closer to schools or closer to [unint.]?

GT: It all, here's the way that the... a good question. Here's the way the law were written in California is, it's up to each individual county to setup their own policies in regards to what they're going to allow. Certain counties, sometimes more conservative counties, they don't want these dispensaries in their communities, so they've enacted ordinances prohibiting these dispensaries from operating in their county. Other counties have, have made it you know because it's politically not correct to maybe say no to these

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**GORDON TAYLOR**

places, they've allowed these places to open up anywhere they want.

Some counties have put restrictions, they have to be in the unincorporated area, they can't be within a 1000 feet of a school. So... it depends on what county you go to and that's why I say, we have a massive problem in California and I'm proud, I'm born and raised in California, I love it there. But we have a massive marijuana... problem in California and unfortunately a lot of it has to do with the state medical marijuana laws and the way they were written. They were written so vague on purpose by the pro-marijuana advocates. It's just not working out well. In fact I'll just share this one statistic.

California seizes more marijuana in our one state than all other 48 states combined, all other 49 states combined, we outpace it, all the other states. In fact the next, California seizes nine, no 12 times more marijuana than the next closest state, which is Washington State. We've seized 7.2 million plants in California this year, Washington State seized about 500,000 plants and that's the next closest state. It's a, it's a massive problem out in California, but

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**GORDON TAYLOR**

it's only marijuana, it's not that big a deal.

Alright any other questions?

Q: [Inaud.]

GT: Good question, where does the legitimate... you say legitimate, I'll say, okay I don't know if they're legitimate or not under federal law, yeah right. Where do they get their supply of marijuana? There's no provisions in the state law to say where they can get, where they can't get it. They get it from people that are growing it in their house. They get it from people that are growing it outdoors. They have what they refer to, we call them drug traffickers, they refer to them as vendors, that's the terminology they use. They refer to their customer, we call them drug customers, they refer to them as patients, okay? So it's, it's a big game, yes, last, another question.

Q: Along the same lines as that, what kind of prices are the dispensaries charging? Are they more or less than...

GT: Yeah, that's a great question, what are they charging? You know everybody that when Proposition 215 was approved, one of the goals was, it would reduce the price of marijuana for those people going into those so called dispensaries. Absolutely not, absolutely not. The, the price of marijuana for the high grade marijuana in these dispensaries is going for over \$300

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**GORDON TAYLOR**

an ounce, now you do the math on that and that's close to \$5000 a pound, okay? That's premium price that, that you have to buy marijuana on the street, alright? It has not, there is no difference, in fact it may even be more expensive to buy marijuana in the dispensaries then it is on the street, yeah, yes.

Q: I have a question just out of curiosity. In the State of California, how are corporations, law enforcement, the military, handling the situation if it's legal there, personnel are using it as far as employment, how's that...

GT: That's a good question. I think there has been a State court decision on that and I think someone got fired because they were actually using marijuana off duty, I don't think it was law enforcement, but it was just a private industry. And they tested positive for marijuana while they were on the job, and they were saying, hey it's medicine. You can't fire me for that. A court decision in California said that yes, the, the employer has the right to fire you for that and I don't know all the details on it, but how are they handling it, I... I can't, I don't have enough information.

But I was always curious, well if it's really legitimate medicine in California, what about our

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**GORDON TAYLOR**

prisoners in the State prisons? They say the need marijuana for medical purposes, do they have the right to get it? I mean there's a lot of issues that come into play here. Remember these doctors though, another thing is, if they are DEA registrants, they're not issuing prescriptions, they don't issue prescriptions because if they did issue a prescription for a schedule one drug, marijuana under federal law, we would take their registration away.

So they issue and that's why they carved out, they use terminology, they issue recommendations, it's not a prescription so they're not, they're not bound to the same guidelines they would under the DEA protocol, alright? Any other questions? Yes.

Q: To the person who asked you well marijuana is legal, understood. But alcohol which causes a ton of problems, you know, probably substantially more money, is legal. What is your response to that?

GT: That's a great question, in fact... legalization is, is one the forefront out in California, of marijuana, they want to legalize it, not just for medical purposes, legalize it for recreational purposes. And unfortunately... the people are only hearing one side of the story. They hear the pro-marijuana side, there's, there's no drug coalitions in my area that

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**GORDON TAYLOR**

are really standing up and being heard on this, there, there aren't. And if there's no drug coalitions or anti-drug coalitions talking about it, that leaves law enforcement to talk about it.

And you know there's a lot of law enforcement that are not willing to engage on this subject, so they're, we're at a tipping point in California right now where, and I don't want to be cynical because I don't want it to sound like all doom and gloom. But we're at a tipping point and I would submit that unless something drastic happens over the next... you know six months, you're going to see marijuana legalized in California. And then we're going to even have more of a massive problem. But how do you respond to the alcohol question, geez, alcohol is much more dangerous, smoking cigarettes is much more dangerous than the smoking marijuana.

I mean why not just legalize marijuana and tax it, we're hurting so much money, a tax base, let's go ahead and tax it. How do you respond to that... there's a number of different ways. First of all you got to look at the risk, if you legalize marijuana and we've seen this go on in the Netherlands, you're going to have increased use of the drug, if you legalize it,

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**GORDON TAYLOR**

you're just simply going to have it. In the Netherlands, the use of marijuana tripled amongst young people, 18 to 20 years of age, it tripled. And they expect that across the board it probably doubled.

So you have more use, now marijuana, like alcohol, is an intoxicant. And if you just look at the, the alcohol related traffic accidents and all the deaths it cause and there's a bunch of other issues you can get into, but just talk about that one aspect, look at all the problems we have with alcohol, okay? That's an intoxicant, 15,000 people a year are killed in this country from automobile-alcohol related traffic accidents, 15,000 people. Most of them are men, women and children that are innocent people, you basically go to your arena in downtown Washington, DC where you watch the Wizards play basketball and you almost fill that arena every year, with men, women and children.

And that's how many people are killed in alcohol related automobile accidents. Now, marijuana is an intoxicant. It affects your ability to operate a motor vehicle. It affects your coordination, it affects your reaction time, you ability to judge distance and space. If we have more people using marijuana, you can expect to see more innocent people

**DEA MUSEUM LECTURE SERIES  
GORDON TAYLOR**

dying on our highways. And that's just one aspect or argument that you can talk about, okay? I know that's not the best answer, but to be quite frank, they've, they've kind of put the... you know they've hamstrung us as far as being able to talk about that issue out there in California, so we don't, can't engage on that, at least at this point.

I'm going go hope they open the door for that in the future, yeah. Any other questions? You guys have been a great audience, if you have any additional questions, or you need anything from Sacramento, please don't hesitate to give me a call. [APPLAUSE]

MS: Thank you very much Gordon. We have a small token of appreciation from the Museum staff for your time today. I do want to thank Katie Drew and Diane Martin and Vince Lutes and Therese Cooper, we're going to shut down now cause it sounds like the audio booth is either about to flood or catch fire back there. If you have any suggestions for us for future speakers or topics, please catch one of us on the Museum staff, we'll be continuing the series in the spring. Thanks for coming.

**END OF AUDIO**